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FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6068  
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 0888  
RUEHFK/AMCONSUL FUKUOKA PRIORITY 6368  
RUEHHK/AMCONSUL HONG KONG PRIORITY 6841  
RUEHNH/AMCONSUL NAHA PRIORITY 8705  
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 0184  
RUEHKS/AMCONSUL SAPPORO PRIORITY 6885  
RUEHBS/USEU BRUSSELS PRIORITY  
RUEHIN/AIT TAIPEI PRIORITY 7466  
RUEHGV/USMISSION GENEVA PRIORITY 3588  
RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 7164  
RUEAEP/HQ EPA WASHDC PRIORITY  
RULSDMK/DEPT OF TRANSPORTATION WASHINGTON DC PRIORITY  
RHMCSUU/DEPT OF ENERGY WASHINGTON DC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 002080

SIPDIS

STATE FOR S/SECC - TODD STERN AND JONATHAN PERSHING  
EAP/J - VIRGINIA MURRAY AND HEATHER DRESSER  
IO, G  
OES/EGC - TRIGG TALLEY, EDWARD FENDLEY, NORMAN BARTH,  
CHRISTO  
ARTUSIO, WENDELA MOORE, AND AMANDA VOCKERODT  
PASS TO USAID  
USDOC FOR NOAA CLIMATE CHANGE OFFICE - SID THURSTON  
WHITE HOUSE FOR CEQ - NANCY SUTLEY  
USDOE FOR S-3 - ROBERT MARLAY  
PASS TO USTR FOR BEEMAN  
EPA FOR CHRISTOPHER GRUNDLER

E.O. 12958: DECL: 09/09/2019  
TAGS: [SENV](#) [ENRG](#) [PREL](#) [KGHG](#) [JA](#)  
SUBJECT: BUSINESSES AND METI UNHAPPY WITH HATOYAMA'S  
GREENHOUSE GAS TARGETS

REF: A. TOKYO 2067  
[1](#)B. TOKYO 1319  
[1](#)C. TOKYO 1218  
[1](#)D. TOKYO 683  
[1](#)E. 08 TOKYO 3270

Classified By: Deputy Chief of Mission James P. Zumwalt for Reasons 1.4  
(b), (d)

[1](#)1. (C) Summary: PM-Elect Hatoyama's September 7 announcement that the GOJ would target a 25 percent reduction in greenhouse gas emissions, from 1990 levels, by 2020 (Ref A) was made with little or no consultation with Japanese ministries. Businesses and the Ministry of Economy, Trade and Industry (METI) have publicly questioned the feasibility and cost of achieving the goal, but have held back their criticism somewhat while they try to convince the DPJ to back off from the higher targets. Should the DPJ continue to push for the 25 percent cuts, Japanese businesses, METI, and the opposition LDP will almost certainly ramp up their resistance. End Summary.

[1](#)2. (C) Head of the Democratic Party of Japan (DPJ) and Prime Minister-elect Yukio Hatoyama's decision to announce the new targets in a September 7 speech apparently was made without consulting the GOJ bureaucracy. METI officials from the International Economy and Nuclear Energy Policy Planning Divisions told econoffs they first learned about the greenhouse goals from news broadcasts. MOFA Deputy Climate Change Division Director Yuko Yaguchi said the move came as no surprise since the policy was in the DPJ's manifesto. However, it was clear that MOFA, at least on the working level, also had received no advance notice of the announcement. This reflects the DPJ's long-standing goal of

breaking the tight cooperation between government (i.e., the LDP), the bureaucracy, and industry. At the environmental conference where he announced the new targets, Hatoyama said, "In order to improve the lives of the Japanese people, the DPJ will change the mode of governance that has been in place up to now, which has left everything to the bureaucrats, to a mode of governance that is led by politicians."

13. (SBU) The Japan Business Federation (Keidanren) has declined to give its official view on the proposal until the new DPJ government is in place. However, it has called for the new administration to outline how it will implement the 25 percent policy as soon as possible. METI publicly expressed reservations about the new emissions reduction targets. At a September 8 press conference, METI Minister Nikai said the plan is not feasible, adding it was imperative for the DPJ to clarify the processes and policies to achieve the goal. Privately, Nikai told the Ambassador September 8 that, implementing the strict plan would lead to a "hollowing out" of the Japanese economy with companies fleeing overseas.

14. (C) The deputy director of METI's International Economy Division, Satoshi Sadatani, told econoff September 8 Keidanren was already meeting with Hatoyama and the DPJ to convince them the costs of the 25 percent reduction target would be unbearably high. He added METI would show the DPJ studies and public polls it had conducted in an effort to convince the party to back off its "ridiculous" plan. One such study -- disputed by environmentalists -- estimated the cost per household of implementing the 25 percent target to

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be 360,000 yen (\$3,910) per year, as opposed to 70,000 yen (\$760) per year to implement former PM Aso's 15 percent (from 2005 levels) target (Ref B). Minister Nikai also mentioned these projections in his discussion with the Ambassador.

15. (C) Comment: Several contacts see Hatoyama's announcement as a slap at the bureaucracy; a way of telling the ministries the DPJ is now in charge. So far, METI bureaucrats and Keidanren have been somewhat restrained in public in their criticism of the new targets. Both groups seem to genuinely believe they can dissuade Hatoyama from enacting the higher targets by "educating" him on the costs involved and likely public opposition. If Hatoyama ignores these appeals and continues pushing for the 25 percent reduction, Japanese businesses, METI, and the opposition Liberal Democratic Party (LDP) will almost certainly ramp up their resistance. Minister Nikai told the Ambassador September 8 that if the DPJ were to push through with its plan, they would be "digging their own grave" and would be giving "an early gift" to the LDP in new Upper House elections in 2010. End Comment.

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